MINUTES
State Allocation Board
June 5, 2017

Upon notice duly given, the meeting of the State Allocation Board (SAB) was held at the State Capitol, Room 437, in Sacramento, California on June 5, 2017 at 4:00 p.m.

Members of the SAB present were as follows:

- Eraina Ortega, Chief Deputy Director, Policy, Department of Finance, designated representative for Michael Cohen, Director, Department of Finance
- Daniel Kim, Director, Department of General Services
- Juan Mireles, Director, School Facilities and Transportation Services Division, California Department of Education (CDE), designated representative for Tom Torlakson, Superintendent of Public Instruction
- Cesar Diaz, appointee of Edmund G. Brown, Jr., Governor of the State of California
- Senator Benjamin Allen
- Senator Janet Nguyen
- Senator Richard Pan
- Assembly Member Adrin Nazarian
- Assembly Member Rocky Chavez
- Assembly Member Patrick O'Donnell

Representative of the SAB was as follows:

Lisa Silverman, Executive Officer

Representatives of the Department of General Services, Office of Public School Construction (OPSC), were as follows:

Lisa Silverman, Executive Officer
Barbara Kampmeinert, Deputy Executive Officer

Representative of the Department of General Services, Office of Legal Services, was as follows:

Jonette Banzon, Attorney

With a quorum present, Ms. Ortega, Chair, called the meeting to order at 4:08 p.m. The Chair welcomed Senator Allen as the newest member of the SAB.

PRIOR MINUTES

A motion was made, and carried, to approve the April 24, 2017 SAB Minutes.

EXECUTIVE OFFICER'S STATEMENT

The Executive Officer informed the SAB of the following:

Current Priority Funding Filing Round

The priority funding filing period began May 10, 2017 and closed June 8, 2017. These requests will be valid from July 1, 2017 through December 31, 2017. School districts were reminded that the requirements for participation in the Priority Funding Process are in effect under School Facility Program (SFP) Regulation Section 1859.90.3.

Current Charter Round Closes on June 5, 2017

With the passage of Proposition 51, $500 million was made available for the Charter School Facilities Program (CSFP), which initiated a new filing round for CSFP applications based on the CSFP regulations. The round closed Monday, June 5, 2017. OPSC will provide the SAB with an update on the total number of applications received for consideration at its next meeting.

EXECUTIVE OFFICER'S STATEMENT (cont.)

Priority Funding Apportionments

April Apportionments
The SAB approved $63 million in priority funding apportionments, on April 24, 2017, for 17 projects representing 13 school districts. As of May 19, 2017, there were nine projects for which the *Fund Release Authorization,* Form SAB 50-05, had not been submitted.

Seismic Mitigation Program Projects

It was noted that there were three Seismic Mitigation Program projects that received unfunded approvals in the Consent portion of the agenda for over $12 million.

Seismic Mitigation Program Instructional Videos

OPSC developed an instructional video series for the Seismic Mitigation Program. The videos include instructions on how to apply to the program, an overview of the Division of the State Architect process, where to find available resources, requirements for a complete application, and details for completion of cost estimates. It is anticipated that the videos will be available on the OPSC's website homepage as early as June 15, 2017.

Next SAB Meeting

The SAB and stakeholders were informed that the next SAB meeting was scheduled for Wednesday, June 28, 2017.

CONSENT ITEMS

A motion was made, and carried, to approve the Consent calendar as presented.

FINANCIAL REPORTS

Status of Fund Releases

There was no discussion on the Status of Fund Releases report.

Status of Funds

There was no discussion on the Status of Funds report.

APPEAL ITEMS

Alameda City Unified/Alameda 51/61119-01-001

The SAB approved the District's request for Seismic Mitigation Program replacement funding in order to rehabilitate three qualified historical buildings. The approval also includes the placement of the project on the Unfunded List (Lack of AB 55 Loans) and approval of Attachment C1 and Attachment D.

ACTION ITEMS

Regulatory Amendments for Increased Program Accountability and Consideration of Applications

The SAB made a motion to 1) adopt the Grant Agreement and corresponding regulatory amendments; 2) authorize the Executive Officer to file the regulations on an emergency basis with the Office of Administrative Law; 3) authorize the Executive Officer, or designee, to sign and execute grant agreements; 4) approve the SFP applications as listed on Attachment 5 for placement on the Unfunded List (Lack of AB 55 Loans) and to acknowledge that the approval does not constitute a guarantee of future funding; 5) require all applications listed on Attachment 5 obtain updated state agency approvals, as needed, prior to cash being available for an

ACTION ITEMS (cont).

Regulatory Amendments for Increased Program Accountability and Consideration of Applications (cont.)

Apportionment without requiring the application to be resubmitted; 6) provide that all applications listed on Attachment 5 are able to participate in the current Priority Funding round, including those for which updated approvals from the Division of the State Architect (DSA) and/or CDE are still being obtained, and all applications listed on the Attachment are subject to the priority funding participation rules outlined in SFP Regulation Section 1859.90.3; 7) provide that failure to obtain updated DSA and/or CDE approvals prior to cash being available for an Apportionment, but after requesting to participate in the priority funding process, shall result in an occurrence of non-participation as the request will be considered invalid; and 8) direct staff to provide the SAB with quarterly reports concerning the status of the nine projects with expired state agency approvals.

In addition to the above approvals, the SAB was informed that the projects on the [true] unfunded list would be excluded from the Grant Agreement. However, the Grant Agreement would apply to projects on the Acknowledged List, which are projects that have not been processed to the SAB. The Grant Agreement would also apply to projects currently being processed, which are those projects that relate to the old bond program, meaning the Seismic Mitigation Program and the Facility Hardship Program. Furthermore, the Grant Agreement would apply to projects in the Consent portion of the Agenda since these projects are current workload and relate to the same existing bond program.

The SAB made the modifications read into the record by the Executive Officer as part of the motion to adopt Option #1. These modifications include the following:

- Language in the Grant Agreement on pages 215, 219, 238 and 253 indicating that freezers, refrigerators and stoves are eligible items will be amended to delete the language stating that these items are eligible only if used to provide food service for all students.
- Language in the Grant Agreement on pages 215, 219, 238 and 253 indicating that exercise equipment is an eligible expenditure only if used by all students will be amended to read that exercise equipment is an eligible expenditure only if available for use by all students.
- The Grant Agreement will be amended to include specific language that specifies that districts may seek written communication from OPSC to clarify whether an item is an eligible or ineligible expenditure, and that local auditors may rely on this written communication when performing the project audit.

The Chair called for a roll-call vote and the motion carried per the following votes:

MEMBER	AYE	NAY	ABSTAIN	ABSENT
Senator Allen			X	
Senator Nguyen	X			
Senator Pan	X			
Assembly Member Nazarian	X			
Assembly Member Chavez	X			
Assembly Member O'Donnell		X		
Juan Mireles	X			
Cesar Diaz (Governor's Appointee)	X			
Daniel Kim	X			
Eraina Ortega	X			
Total	8	1	1	

Motion:

Carried _X__

Failed ____

School Facility Program Applications Received Beyond Bond Authority List

The SAB made a motion to adopt Option #1, which would process applications pursuant to SFP Regulation Sections 1859.93 and 1859.93.1, use regulations in place at the time of submittal, and require new construction eligibility updates for the enrollment year in which the application is processed by OPSC to justify new construction funding. This option also includes the following:

ACTION ITEMS (cont).

School Facility Program Applications Received Beyond Bond Authority List (cont.)

- The application from the Applications Received Beyond Bond Authority List and those Approved Applications received on or after April 1, 2017 would be moved to the standard OPSC Workload List and staff would begin to process those projects with the available bond authority.
- In addition to the above-noted motion, the SAB included with the motion that school districts could address the SAB on a case-by-case basis based on OPSC's determination that a project is deemed ineligible or eligible for less funding than originally requested due to updated eligibility information. School districts would be able to appeal and have the SAB consider those issues.

The Chair called for a roll-call vote and the motion carried per the following votes:

MEMBER	AYE	NAY	ABSTAIN	ABSENT
Senator Allen		X		
Senator Nguyen		X		
Senator Pan	X			
Assembly Member Nazarian	X			
Assembly Member Chavez	X			
Assembly Member O'Donnell		X		
Juan Mireles		X		
Cesar Diaz (Governor's Appointee)	X			
Daniel Kim	X			
Eraina Ortega	X			
Total	6	4		

Motion:

Carried _X__

Failed ____

REPORTS, DISCUSSION, AND INFORMATION ITEMS

The SAB acknowledged the following reports:

State Allocation Board Three-Month Projected Workload

State Allocation Board Meeting Dates for the 2017 Calendar Year

School Facility Program Unfunded List as of April 24, 2017

School Facility Program Applications Received Beyond Bond Authority List as of April 30, 2017

School Facility Program Workload List of Applications Received Through April 30, 2017

Facility Hardship/Rehabilitation Approvals Without Funding as of April 24, 2017

ADJOURNMENT

There being no further business to come before the SAB, the Chair adjourned the meeting at 6:30 p.m.

LISA SILVERMAN, Executive Officer

ATTACHMENT A

Approved Consent Items on 6/5/2017

Program	Application Number	District	County
Continued Use	91/75044-00-000	HESPERIA UNIFIED	SAN BERNARDINO
Emergency Repair Program	61/61192-00-005	HAYWARD UNIFIED	ALAMEDA
Emergency Repair Program	61/67124-00-095	MORENO VALLEY UNIFIED	RIVERSIDE
Emergency Repair Program	61/67124-00-082	MORENO VALLEY UNIFIED	RIVERSIDE
Emergency Repair Program	61/70854-00-006	PETALUMA CITY ELEMENTARY	SONOMA
Emergency Repair Program	61/70854-00-005	PETALUMA CITY ELEMENTARY	SONOMA
Emergency Repair Program	61/61788-00-119	PITTSBURG UNIFIED	CONTRA COSTA
Emergency Repair Program	61/67439-00-241	SACRAMENTO CITY UNIFIED	SACRAMENTO
Emergency Repair Program	61/67439-00-237	SACRAMENTO CITY UNIFIED	SACRAMENTO
Emergency Repair Program	61/67439-00-233	SACRAMENTO CITY UNIFIED	SACRAMENTO
Emergency Repair Program	61/67439-00-199	SACRAMENTO CITY UNIFIED	SACRAMENTO
Emergency Repair Program	61/67439-00-189	SACRAMENTO CITY UNIFIED	SACRAMENTO
Emergency Repair Program	61/68338-00-294	SAN DIEGO UNIFIED	SAN DIEGO
Emergency Repair Program	61/68338-00-293	SAN DIEGO UNIFIED	SAN DIEGO
Emergency Repair Program	61/67249-00-030	SAN JACINTO UNIFIED	RIVERSIDE
Emergency Repair Program	61/67249-00-029	SAN JACINTO UNIFIED	RIVERSIDE
Emergency Repair Program	61/67249-00-028	SAN JACINTO UNIFIED	RIVERSIDE
Emergency Repair Program	61/67249-00-027	SAN JACINTO UNIFIED	RIVERSIDE
Emergency Repair Program	61/67249-00-026	SAN JACINTO UNIFIED	RIVERSIDE
Emergency Repair Program	61/72199-00-003	TERRA BELLA UNION ELEMENTARY	TULARE
Emergency Repair Program	61/72199-00-002	TERRA BELLA UNION ELEMENTARY	TULARE
SFP - Charter	54/64733-00-073	LOS ANGELES UNIFIED	LOS ANGELES
SFP - Charter	54/64733-00-064	LOS ANGELES UNIFIED	LOS ANGELES
SFP - COS	53/64733-00-335	LOS ANGELES UNIFIED	LOS ANGELES
SFP - Modernization	58/64667-00-001	LANCASTER ELEMENTARY	LOS ANGELES
SFP - Modernization	58/61796-00-008	WEST CONTRA COSTA UNIFIED	CONTRA COSTA
SFP - New Construction	50/75564-00-003	OAKDALE JOINT UNIFIED	STANISLAUS
SFP - New Construction	51/76786-00-001	SANTA BARBARA UNIFIED	SANTA BARBARA